

Message Text

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ACTION TRSE-00

INFO OCT-01 EUR-12 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00

AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-03

H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01

AID-05 CIEP-01 SS-15 STR-04 TAR-01 PRS-01 SP-02

FEAE-00 OMB-01 /086 W
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O R 181632Z DEC 75

FM AMEMBASSY ROME

TO SECSTATE WASHDC IMMEDIATE 4817

INFO USMISSION EC BRUSSELS

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E.O. 11652: N/A

TAGS: ETRD, EEC, IT

SUBJECT: COUNTERVAILING DUTIES: FLOAT GLASS

REF: STATE 296341

1. EMBOFF DISCUSSED SUBSTANCE REFTEL WITH MINISTRY FOREIGN TRADE (MFT) REP SIMEONE (DIRECTOR, GATT-EC AFFAIRS AND MFT OFFICIAL RESPONSIBLE FOR FLOAT GLASS CASE) ON DECEMBER 18. SIMEONE STATED THAT GOI WOULD OBJECT IN PRINCIPLE TO USG REPS DIRECTLY APPROACHING SIV AND ST. GOBAIN TO TRY TO OBTAIN WRITTEN ASSURANCES THEY WILL NOT IN FUTURE EXPORT FLOAT GLASS TO THE UNITED STATES. HE SAID THAT, IN ANY CASE, SIV HIGHLY UNLIKELY TO PROVIDE SUCH ASSURANCES SINCE THEY DO NOT WISH PERMANENTLY TO FORECLOSE POSSIBILITY OF SALES IN US MARKET. HE ALSO IMPLIED THAT GOI WOULD BE UNWILLING TO PARTICIPATE IN SUPERVISION OF ANY SUCH PROGRAM. HE DID INDICATE, HOWEVER, THAT GOI WOULD NOT OBJECT TO EMBASSY AGAIN APPROACHING COMPANIES DIRECTLY FOR FINANCIAL DATA.

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2. ITALIAN BANK SECRECY LAWS PRECLUDE BANKS AND OTHER

FINANCIAL INSTITUTIONS, INCLUDING CASSA PER IL MEZZOGIORNO (SOURCE OF GRANTS AND SOFT LOANS UNDER MEZZOGIORNO PROGRAM) FROM PROVIDING DETAILED INFORMATION OF THE TYPE NEEDED IN THIS INVESTIGATION. CONSEQUENTLY, ONLY SOURCE IS COMPANIES THEMSELVES.

3. SIMEONE THEN SUGGESTED THAT TREASURY MAY WISH TO TRY ANOTHER TACK TO DETERMINE WHETHER GOI GRANTS AND/OR SOFT LOANS TO SIV AND ST. GOBAIN UNDER MEZZOGIORNO PROGRAM CONSTITUTE BOUNTY OR GRANT WITHIN MEANING OF US LAW. THAT APPROACH IS TO ASSUME THAT SIV AND ST. GOBAIN RECEIVED MAXIMUM ASSISTANCE POSSIBLE UNDER APPLICABLE LAWS AND REGULATIONS (WHICH, ACCORDING TO SIMEONE, WERE PROVIDED TO TREASURY BY ITALIAN EMBASSY) AND THEN EVALUATE ON THAT BASIS.

4. ACCORDING TO SIMEONE, SERAFINI OF ITALIAN EMBASSY IN WASHINGTON HAS WRITTEN DIRECTLY TO SIV AND ST. GOBAIN URGING THEM TO PROVIDE NECESSARY FINANCIAL DATA.

5. EMBASSY ASSUMES WHAT IS NEEDED FROM SIV AND ST. GOBAIN ARE DATA ON CONSTRUCTION COSTS AND VALUE/TERMS IF ANY GRANTS AND/OR LOANS PROVIDED BY GOI.

7. SIMEONE UNDERSTANDS THAT AMONG EC COUNTRIES ONLY ITALIAN COMPANIES HAV FAILED PROVIDE SUFFICIENT DATA IN FLOAT GLASS CASE, THAT ADDITIONAL FINANCIAL DATA ARE REQUIRED, AND THAT DEADLINE IS DECEMBER 29.

7. EMBASSY WILL ALSO DISCUSS MATTER WITH MINISTRY FOREIGN AFFAIRS. VOLPE

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